

**DEPARTMENT OF COMMERCE
SUMMARY OF PUBLIC HEARING COMMENTS AND AGENCY RESPONSE**

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Clearinghouse Rule Number: 07-008		Hearing Location: Mailed Comments	
Rule Number: Chapter Comm 67		Hearing Date:	
Relating to: Rental Unit Energy Efficiency Requirements			
Comments: Oral or Exhibit No.	Presenter, Group Represented, City and State	Comments/Recommendations	Agency Response
1	Richard Gotz East Troy, WI	<p>a. Questions how title companies can give out certificates, if the code specifies that only the Department or an authorized municipality can do this function.</p> <p>b. Believes the upper and lower venting requirement is obsolete and should be determined by the inspector for compliance on a case-by-case basis.</p> <p>c. Asks how you are to determine permanent residency.</p>	<p>a. By rule, title companies are not authorized to give out certificates.</p> <p>b. In addition to the traditional high/low venting method, the proposed code provides a flexible and efficient method for venting.</p> <p>c. The Department currently requests a driver's license or other form of identification to determine residency as it relates to owner occupancy exemptions.</p>
2	Kent L. Schwanke Wisconsin Association of Home Inspectors Ripon, WI	<p>a. Suggests the 5-year compliance limitation be reinstituted, because without this the rules do not have an impact. Offers as an alternative, that when a rental property sells, it is required to meet the Rental Weatherization requirement each time it sells.</p> <p>b. Suggests a requirement be created to verify the heating equipment and furnace are in safe and energy efficient operating condition.</p> <p>c. Does not want to see the exemption, stipulation and waiver application fees disappear. Indicates that his organization is against raising the compliance sticker fee as proposed.</p> <p>d. Indicates he would like to see the inspection fee limits be raised, they have been the same since the beginning of the program. Our costs have risen yet we cannot raise our fees. We understand there needs to be a required fee limitation, but we need to see the fees raised. Our suggestion is an additional \$100 for each case. A suggestion would be that there is a definitive "minimum" fee as well as a "maximum" fee. This would give the inspector the freedom to determine his/her fees and keep competition close together.</p> <p>e. Indicates they are in agreement with the additional suggested changes relating to the technical requirements and feel these are good changes.</p> <p>f. Suggests that an educational branch of the program be started, that would be based on education for realtors to be fully aware of the program and it's "ins and outs." We would be willing to help organize this endeavor.</p>	<p>a. The statutes mandating this energy efficiency program were changed in the late 90's to eliminate the 5-year reinspection for compliance and the department is required to comply with this change.</p> <p>b. There are not consistent safety and energy standards that could be applied to all of the types of buildings covered under these rules.</p> <p>c. The Department has reviewed the cost to administer this program and has determined that eliminating the stipulation and waiver fees and increasing the certification stamp fee will balance expenditures with revenue and streamline administrative procedures.</p> <p>d. The Department is required by state statutes to create a maximum fee limit but not a minimum fee. Raising the maximum fee would not stop inspectors from charging a fee lower than the maximum limit. The Department believes that market forces should drive minimum fees.</p> <p>e. Support noted.</p> <p>f. The Department welcomes and encourages opportunities to educate realtors about this program.</p>

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		<p>g. Believes there needs to be a branch of the program that is the "policing" or enforcement of the deadbeats that is run on a state level, not the local DA for the individual counties. Believes there are thousands of delinquent properties that have never been forced to comply. This is a huge item for the future of the program.</p>	<p>g. The Department continues to work on eliminating the unsatisfied stipulations. Prior to the next transfer, such stipulations need to be resolved.</p>
3	John Rasmussen Green Bay, WI	<p>a. Believes the fees for stipulations should be raised, which may discourage the use of this process. Indicates that most distributors charge a counter fee, which is unregulated by the Department. Explains that if the fee is raised, the additional revenue would allow the Department to do more in the way of notification and enforcement of stipulation holders. Indicates it has been many years since the state has sent notices, questionnaires, or any type of request for compliance.</p> <p>b. Believes the change in price of the certification stamps will reduce the number of inspectors to do the work since their interest lies in making a profit and they now have to pay additional handling fees and state sales tax for the stamps and forms. If there are fewer inspectors, fewer inspections can be done in a given time period.</p> <p>c. Believes a minimum inspection fee should be created because many inspectors under charge for their services.</p> <p>d. Believes the weatherization program as we know it is much different from the original concept. Suggests that either 1) the program be expanded and improved including recognizable and understandable purpose; or 2) develop a strategy to discontinue it altogether.</p> <p>e. Believes the weatherization program has outlived its real usefulness so a strategy needs to be developed to bring it to an end. Over the next 3-5 years the open and unsatisfied stipulations should all be certified/satisfied. (Once certified done forever.)</p> <p>f. Indicates as part of the strategy, we need to begin limiting what properties are covered by the code. Suggests we begin by exempting charitable organizations, single family homes and concentrate on the number of unsatisfied stipulations.</p> <p>g. Explains over the past 20 years, thousands of Wisconsin property owners have complied with this code and suggests that it is only fair to these owners that we follow through so that all properties of record are in the end certified.</p>	<p>a. See response under 2. c. relating to fees.</p> <p>b. The inspectors may charge extra to offset their costs to purchase the certification stamps. There is no data available indicating that fewer inspectors will be doing inspections.</p> <p>c. See response under 2. d.</p> <p>d. The Department is not authorized to expand the program beyond the state statutes or discontinue it.</p> <p>e. See response under 2. g.</p> <p>f. The state statutes determine the application of this program and eliminating certain types of occupancies is not within the Department’s authority.</p> <p>g. See response under 2. g.</p>

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4	Art Luedtke WI Apartment Association Madison, WI	Indicates he is opposed to increasing the fees for the certification stamp and charging for the forms. Opposed to dropping the stipulation fee since at least 80% of rental units use the stipulation process at closings.	See response under 2. c. relating to fees. Forms may be printed from our Web site at no charge. We arranged with the Department of Administration’s Document Sales and Distribution unit to distribute the forms. They need to charge a fee for this service.
5	John S. Mikrut Lake Geneva, WI 53147	<p>a. Believes the state should continue to charge the \$50.00 stipulation fee, or even raise it a little. In many cases the fee is the deciding factor for the buyers and sellers to bring the property into compliance prior to closing. Instead of entering into a stipulation and paying the \$50.00 they decide to do the work then receive the Certificate of Compliance. This is usually the case when there is very little work to do and it can be done before closing. If there is no fee, most people will just enter into the stipulation. Believes there will be more outstanding stipulation, because people will just forget about them now since the state does not send out reminders anymore.</p> <p>b. Suggests the certificate of compliance stamps should remain at \$20.00 instead of raising the cost to \$30.00. Believes with the cost of the stipulations at \$50.00 there would be no need to charge for forms. Indicates he is not in favor of having to pay for forms.</p> <p>c. Believes lifting the cap on inspector charges probably would not make a difference to most inspectors. Believes his fee will not change regardless of what you can charge. If you are way out of line with your fee, you’re not going to do any inspections.</p>	<p>a. See response under 2. c. relating to fees. The Department of Commerce has reinstated the procedure of sending reminder letters to people who hold unsatisfied stipulations.</p> <p>b. See response under 2. c. relating to fees.</p> <p>c. See response under 2. d.</p>